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From: Thomas Knuckey
Sent: Mon 3/9/2015 12:30:05 PM
Subject: WM Issues to resolve
2014 BremertonBadDebt 150303.xlsx

Mike/Laura/Dean – we met internally this morning to discuss the billing/bad debt issue and have some thoughts to discuss. First – our attorney reviewed our code language (BMC 6.04 <http://www.codepublishing.com/wa/bremerton.html>), and indicates that the code currently allows WM to require all service contracts to be with property owners, rather than allowing service in the names of various tenants. Second, in reviewing the data provided it doesn't appear that there is a correlation between rentals and delinquent accounts – in the attached spreadsheet we've compared the "service street" to "billing street" and highlighted where they are not the same; we understand this to be a list of the non-owner occupied properties. We've also added a far right column and totaled the non-owner occupied properties only. At the bottom we totaled the non-owner occupied write-offs to be \$106K of the \$338K, or roughly a third.

At this time we're not sure how to assist in resolving the collection issue, but are willing to sit down to discuss with you if you'd like. I think we need to sit down with you soon to discuss revisions to the number of street cans, so a meeting is probably a good idea.

Also a head's up that we discussed the write off issue with our Public Works Committee last week and I received a follow-up telephone call from Josh Farley with the Kitsap Sun who asked questions about the issue. I told him that both WM and the City were just getting our arms around the issue at the moment - I don't believe he's planning to write an article at this time, but will likely be engaging you in the future.

Let me know if you'd like me to set up a meeting to discuss these issues.

Tom Knuckey, P.E.

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